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No. 85 - 1970

IN THE SUPREME COURT
OF THE UNITED STATES OF AMERICA
OCTOBER TERM, 1985

ANDREW E. EHAT,

PETITIONER,
vs.

JERALD TANNER and SANDRA TANNER
f@a MODERN MICROFILM COMPANY,

RESPONDENTS

ON PETITION FOR WRIT OF CERTIORARI
TO THE
UNITED STATES COURT OF APPEALS
FOR THE TENTH CIRCUIT

BRIEF OF RESPONDENTS IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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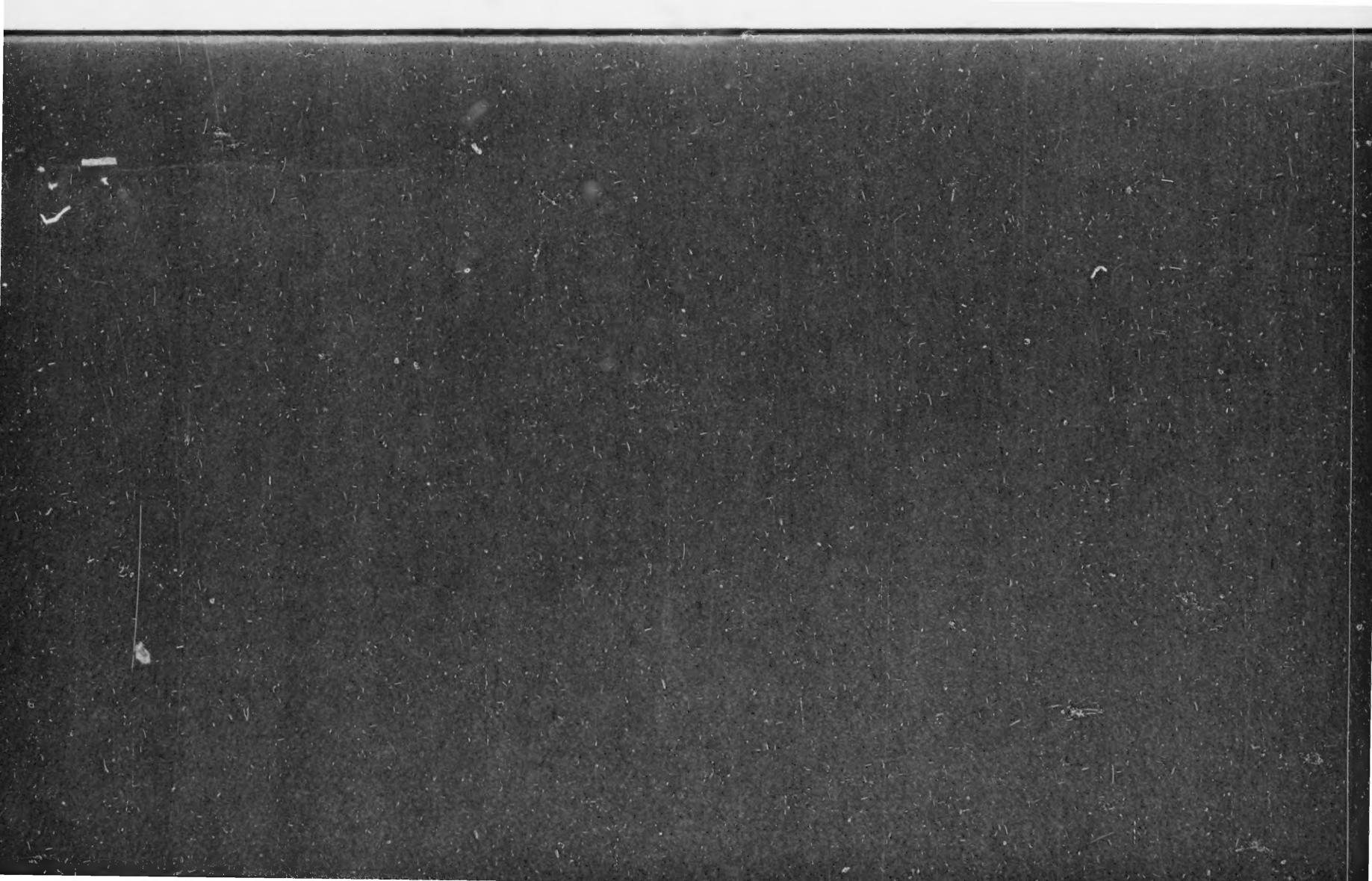
COUNSEL FOR RESPONDENTS

DATED: JULY 21, 1986



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ISSUE PRESENTED:

THE COURT BELOW CORRECTLY RULED THAT:

THE FEDERAL COPYRIGHT ACT OF 1976 (17 U.S.C. §301) PREEMPTED THE STATE COMMON LAW CLAIM FOR UNFAIR COMPETITION OCCASIONED BY THE RESPONDENTS' REPRODUCTION AND DISTRIBUTION OF VERBATIM NOTES FROM A HISTORICAL DOCUMENT.

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BRIEF OF RESPONDENTS IN OPPOSITION
TO PETITION FOR WRIT OF CERTIORARI

RESPONDENTS, JERALD TANNER and SANDRA TANNER by and through their counsel, BRIAN M. BARNARD of UTAH LEGAL CLINIC submit the following BRIEF in opposition to the Petition for a Writ of Certiorari filed by Andrew E. Ehat.

STATEMENT OF CASE

The United States District Court for the District of Utah before trial granted a partial Summary Judgment dismissing Petitioner's copyright claim. After a trial to the bench on the state common law claim of unfair competition, the Court entered a judgment for Petitioner.

Respondents appealed and the United States Court of Appeals for the Tenth Circuit reversed finding that the Petitioner's state common law claim of unfair competition was preempted by 17 U.S.C. §301, the Federal Copyright Act of 1976.

The mandate has issued; the matter was remanded to the Trial Court. On May 20, 1986 the Trial Court entered an Order dismissing the Petitioner's state claim.

STATEMENT OF FACTS

Wm Clayton lived in the 1800's and kept journals or a diary during the years 1842-1846. Wm Clayton was the author of that diary. That diary was a literary work of authorship fixed in a tangible medium of expression and within the scope and subject matter of copyright.

In 1979 Petitioner Andrew Ehat gained access to the original diary and a verbatim typescript thereof. He took seventy (70) pages of verbatim notes from the diary and/or the typescript. Those notes were exact copies of portions of the work created by Wm Clayton. Petitioner Ehat was not the author of those notes; he copied from the original and created an edited version. Neither the

original diary nor Petitioner's notes were copyrighted.

In 1982 Respondents gained access to a copy of the Petitioner's verbatim notes, reproduced them and distributed copies.

Petitioner sued Respondents seeking damages for the reproduction and distribution of those notes under a state claim of "unfair competition;" the Trial Court granted the damages sought; the Court of Appeals for the Tenth Circuit reversed determining that the state common law claim of "unfair competition" was preempted by the Copyright Act of 1976.

REASONS FOR DENYING THE PETITION

POINT I

THE DECISION BELOW IS CONSISTENT WITH THE RULINGS OF THIS COURT.

The decision below is not in conflict with any decision of this Court. The Court Below relied upon the decision in Harper & Row, etc v. Nation Enterprise, etc, 723 F.2d 195 (2nd Cir. 1985); that decision was reversed by this Court on other grounds, __ U.S. __, 85 L.Ed.2d 588, 105 S.Ct. __, 53 U.S.L.W. 4562 (1985). The Decision Below is fully consistent with the decision of this Court in Harper & Row. The two decisions are difficult to compare; one case is about "apples" and the other about

"bananas." Harper & Row involved copyrighted materials admittedly re-printed in violation of the copyright; that use would be protected only if it was found to be "fair use." In the case at bar, the material was not copyrighted and "fair use" doctrine was not involved; the issue here is preemption by federal copyright law of a state unfair competition claim.

This Court in Harper & Row held that the copyrighted material was protected against a gross abuse of "fair use" which destroyed an author's right to first publication. The important right of first publication belongs to the author and/or copyright holder. Harper & Row, __ U.S. __, 53 U.S.L.W. at 4566. The author of the Clayton diary (the historical document at issue here) was Wm Clayton, long

since deceased. As a mere copyist, Petitioner had no right of first publication; that right belongs to Wm Clayton. The right of publication (including "first" publication) is protected by the Copyright Act of 1976; therefore, any state law tort claim that seeks to protect that right is preempted. 17 U.S.C. §301. (See discussion below.)

At the trial and appellate levels Harper & Row involved preemption, and those decisions are consistent with the Decision Below in this case. Harper & Row etc v. Nation Enterprise, etc, 723 F.2d 195 (2nd 1985); Harper & Row, etc v. Nation Enterprise, etc, 557 F. Supp. 1067 (S.D.N.Y. 1983); Harper & Row v. Nation Enterprise, etc, 501 F. Supp. 848, 852 (S.D.N.Y. 1980). (See discussion below.)

Therefore, as far as they are comparable, the Decision Below and Harper & Row are consistent. Both cases involve fruits of creative labor within the scope and subject matter of copyright, one protected by the Federal Copyright Act and one not protected.

POINT II

THE RATIONALE OF HARPER & ROW IS INAPPOSITE TO THE CASE AT BAR.

Petitioner erroneously suggests that Harper & Row somehow repeals the preemption provision of the Federal Copyright Act of 1976. Petitioner suggests that the rational of Harper & Row should expand copyright like protection to non-copyrighted materials. Neither suggestion is well-taken. There is no secret meaning in Harper & Row that circumvents the clear

preemption of the Federal Copyright Act of 1976.

The decision and rationale of this Court in Harper & Row is inapposite to the issues confronted in this case.

POINT III

THE COURT BELOW CORRECTLY FOUND PREEMPTION OF PETITIONER'S STATE TORT CLAIM.

The determination by the Court Below that the Petitioner's state common law tort claim for "unfair competition" was preempted under the Federal Copyright Act of 1976 was proper.

The diary of Wm Clayton falls within the type of materials normally copyrighted; it was a literary work of authorship fixed in a tangible medium of expression and within the subject

matter of copyright. 17 U.S.C. §301(a). The work and notes are so obviously within the subject matter of copyright, no discussion is necessary. (Contra, Petitioner's Brief, pp. 6-8)

Petitioner's verbatim notes are a a reproduction of a work within the subject matter of copyright. 17 U.S.C. §301. They are not copyrightable as to Petitioner because he is not the author. 17 U.S.C. §102(a). (Petitioner's Brief, Appendix, p. A-8).

The Court Below determined that the state common law tort of "unfair competition" was preempted by the Federal Copyright Act; that is consistent with the decision of the Court of Appeals for the Second Circuit in Harper & Row, 723 F.2d 195 (2nd Cir. 1985).

The Decision Below cites Harper & Row below with the "signal" See. The signal "See" is used to indicate a dictum which supports the proposition. As cited in the Decision Below Harper & Row at the appellate level is persuasive dictum regarding 17 U.S.C. §301 and preemption. The decision of the Court of Appeals for the Second Circuit was reversed on other grounds because the only issue considered by this Court was "fair use" of a copyrighted work. The state claims, discussed at the Court of Appeals level and found to be preempted (Harper & Row, 723 F.2d at 199-201), were not mentioned by this Court.

The Federal Copyright Act of 1976 severely limited and preempted most state common law claims of unfair competition. It did not keep the

status quo as the Petitioner alleges in his Brief. (Petitioner's Brief, p. 21) After the enactment of 17 U.S.C. §301 state regulation of unfair competition was greatly limited.

Some types of expression though not copyrightable are still protected by the state common law tort claims but only when those types of expression are not within the subject matter of copyright and the right sought to be protected is not the equivalent of the exclusive rights protected by the Federal Copyright Act. (Petitioner's Brief, pp. 20-21)

Preemption was not to extend to causes of action or subject matter outside the scope of the new statute consistent with the United States Supreme Court decisions in Sears Roebuck v. Stiffel Co., 376 U.S. 225,

84 S.Ct. 784, 11 L.Ed.2d 661 (1964) and Compco Corp. v. Day-Brite Lighting, Inc., 376 U.S. 234, 84 S.Ct. 779, 11 L.Ed.2d 669 (1964). Thus, the new law was not intended to preempt all causes of action for "unfair competition".

> "Misappropriation" is not necessarily synonymous with copyright infringement, and thus a cause of action labeled as misappropriation is not preempted if it is [in] fact based neither on a right within the general scope of copyright as specified in Section 106. . . nor on a right equivalent thereto.

U.S. Code Cong. & Admin. News, 1976, 5748; H.R. Rep. No. 94-1476, 94th Cong., 2d Sess.

An example where preemption would not apply to a misappropriation cause of action is International News Service v. Associated Press, 248 U.S. 215, 39 S.Ct. 68, 63 L.Ed. 211 (1918); "facts" or "hot news" are not within the subject matter of copyright because

there is no author and they are within the public domain, therefore a cause of action for misappropriation of a wire service's "facts" or "hot news" would not be preempted. This is not the case at bar, the subject matter (the authorship and literary work of Wm Clayton) is clearly within the subject matter of copyright.

There is a two part test to determine preemption under 17 U.S.C. §301. The first Section 301 test: Does the subject matter of the Petitioner's claim, verbatim notes from an historical document, fall within the subject matter of the copyright laws? 17 U.S.C. §301(b)(1). Copyright protection is granted to "original works of authorship fixed in any tangible medium of expression." 17 U.S.C. §102(a)(1) & (5). The Wm

Clayton diary clearly falls into that category as do Petitioner's notes. (Petitioner's Brief, Appendix, P. A-8)

The second Section 301 test: Are the rights sought to be enforced under state law "equivalent to any of the exclusive rights within the general scope of copyright as specified by Section 106"? 17 U.S.C. §301(b)(3). Section 106 provides that an author has exclusive rights to reproduce the copyrighted work and to distribute copies. 17 U.S.C. §106.

> In assessing whether a cause of action under state law is "equivalent" to a claim of copyright infringement, the Court must compare the rights sought to be protected under the federal and state laws. . . . The state cause of action must protect rights under the facts of a particular case which are qualitatively different from the rights of reproduction, performance, distribution, or display.

Harper & Row Publishers, Inc. v. Nation Enterprises, 501 F. Supp. 848,

852 (S.D.N.Y. 1980)(trial court decision)

To establish a copyright violation the Petitioner must prove that the Respondents copied and distributed his notes; to establish the Petitioner's claim for unfair competition, the Petitioner must prove that the Respondents copied and distributed his notes. The proof is the same under both causes of action. (Petitioner's Brief, Appendix, pp. A-11-A-12).

The complaint herein demanded an injunction against further distribution of the notes, and sought destruction of the copies in the Respondents' possession: that is the exact relief available under the Copyright Act. (17 U.S.C. §503) The Trial Court initially granted injunctive relief. (Petitioner's Brief, Appendix, pp. 21-22; pp. 39-40)

Petitioner demanded and was granted damages similar to the damages under the Copyright Act. 17 U.S.C. §504(b); Petitioner's Brief, Appendix, p. 34; Petitioner's Brief, Appendix, p. A-12-A-13.

Petitioner made it clear Respondents' conduct which caused him to bring this action was their publication of his verbatim notes, not their misappropriation. (Petitioner's Brief, Appendix, p. A-4; p. A-11).

The use of the "misappropriated" material is determinative of whether or not an unfair competition claim is preempted by the Federal Copyright Act. Misappropriation of another's work is separate from the use thereof, but where an unfair competition claim is related to the use of misappropriated material, the action will be

subject to preemption by federal copyright law. Roy Export Co. Establishment v. Columbia Broadcasting System, Inc., 672 F.2d 1095, 1105-1106 (2nd Cir. 1982). In Warner Bros. v. American Broadcasting Company, 720 F.2d 231 (2nd Cir. 1983) there was a claim for a copyright violation and unfair competition. The offending acts occurred after the effective date of the 1976 Copyright Act. The Court stated:

> Since the Copyright Act is exclusive, after January 1, 1978, only with respect to rights "equivalent to any of the exclusive rights within the general scope of copyright," 17 U.S.C. § 301(a) (Supp. V 1981), state law claims that rely on the misappropriation branch of unfair competition are preempted, . . ." [citations omitted]

Warner Brothers, 247.

The relief Petitioner sought and was granted falls squarely under Section 106 of the Copyright Act of 1976, and satisfies the second test of Section 301. (Petitioner's Brief, Appendix, pp. A-12-A-14).

Examining what the Petitioner plead and proved and examining what he sought and was granted, his rights under the unfair competition claim are the equivalent to the rights under Section 106 of the Copyright Act: the exclusive rights of copyright to reproduce and distribute his work. Petitioner's Brief, Appendix, pp. A-8-A-15; Harper & Row, etc v. Nation Enterprise, etc, 723 F.2d 195 (2nd Cir. 1985), reversed on other grounds, __ U.S. __, 85 L.Ed.2d 588, 105 S.Ct. __, 53 U.S.L.W. 4562 (1985); Harper & Row Publishers, Inc. v. Nation

Enterprise, 557 F. Supp. 1067 (S.D. N.Y. 1983); Harper & Row Publishers, Inc. v. Nation Enterprise, 501 F. Supp. 848, 852 (S.D.N.Y. 1980); Schuchart & Assoc. v. Solo Serve, 540 F. Supp. 928, (W.D. Tex. 1982); Mitchell v. Penton/ Industrial Pub. Co., 486 F. Supp. 22, 205 USPQ 242, (N.D. Ohio 1979); Ortho-O-Vision, Inc. v. Home Box Office, Inc., 474 F. Supp. 672, 205 USPQ 644 (S.D. N.Y. 1979); Synercom Technology, Inc. v. University Computing Co., 474 F. Supp. 37 (N.D. Tex. 1979). Petitioner's state law claim based upon the "misappropriation" branch of unfair competition is preempted by federal copyright law.

CONCLUSION

The Court of Appeals properly interpreted and applied the Federal Copyright Act of 1976 with regard to preemption of a state common law claim "equivalent to any of the exclusive rights within the general scope of copyright . . . in works of authorship that are fixed in a tangible medium of expression. . ." 17 U.S.C. §301(a).

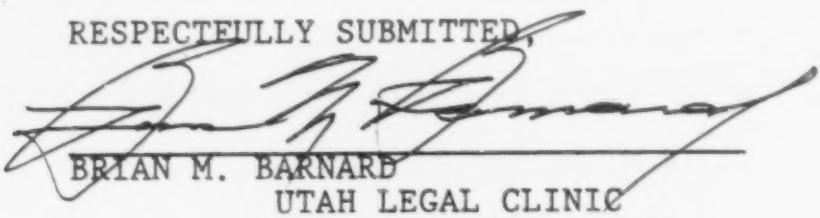
The Petitioner's state common law claim for "unfair competition" involved materials within the subject matter of copyright and the exclusive rights and protections afforded under federal copyright law and therefore was preempted. Given the nature of the Petitioner's work, if it could not be protected by the Federal Copyright Act, it could not be protected from

publication and distribution by a state common law tort claim. Thus the decision of the Court of Appeals for the Tenth Circuit was proper in all respects.

There is no conflict between the Decision Below and any decision of this Court; there is no conflict between the Decision Below and the decision of any Court of Appeals.

For the reasons stated herein, the Respondents request this Court to deny the Petition for a Writ of Certiorari.

RESPECTFULLY SUBMITTED,



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Attorney for Respondents
DATED: July 21, 1986

DELIVERY CERTIFICATE

I hereby certify that on the 21st day of JULY, 1986, I caused to be hand delivered three (3) copies of the above and foregoing BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI to:

GORDON MADSEN, Esq.
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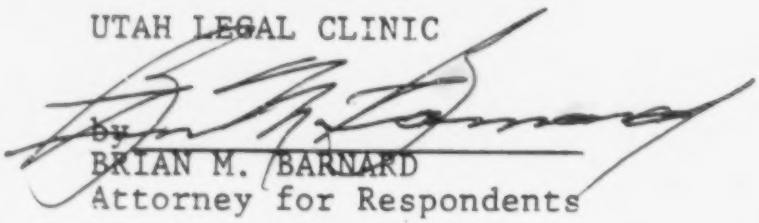

by
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